

PROCEDURES FOR EFFECTING PERIODIC ADJUSTMENTS IN
RENTAL RATES AND CHARGES FOR RELATED FACILITIES

1. Definition. For purposes of this Appendix the term rental quarters includes furnishings and unmetered and unmeasured utilities.

2. Frequency of adjustment. Charges for rental quarters shall be adjusted periodically in accordance with the following:

a. Periodic (cycle year) adjustments based on survey of the private rental market. Basic rental rates established for rental quarters shall be affirmed or adjusted by survey of the private rental market, as follows:

(1) Every fifth year, or when the basic rental rate for the quarters has been increased by 30 percent through application of the rent series of the U.S. city average CPI (National average CPI), whichever occurs first, provided that valid and realistic comparability has been established with private rental rates, or

(2) Every third year if for any reason valid and realistic comparability with private rental rates has not been established, or

(3) Any year when changes in the private rental market in the nearby established community indicate a need to adjust basic rental rates on the basis of a survey of the rental market.

b. Annual (interim year) adjustments based on changes in the CPI. Annual adjustments in the basic rental rate, to be effective on February 1 of each year or at the beginning of the first pay period which starts on or after February 1 of each year, shall be made by applying the percent change in the CPI from the month in which the previous adjustment was based. Though effective in February, the adjustment shall be based on the preceding September CPI data to provide the required lead time referred to in paragraph 3, below.

OMB Declassification&Release Instructions On File - No Referral To OMB

(No. A-45)

3. Availability of CPI data. The Department of Labor, Bureau of Labor Statistics, will publish the Consumer Price Index (CPI) on a monthly basis, and will furnish data concerning the annual percentage change in the rent series of the index to the various Departments and agencies. To provide sufficient lead time within which Federal agencies can give employees advance notice of proposed rent adjustments, and to meet the effective date for implementation specified in paragraph 2b, above, the Bureau of Labor Statistics will furnish, in October of each year, the September CPI data reflecting the percent increase or decrease in the rent series of the U.S. city average CPI from each month in the preceding 18-month period. (The 1974 CPI Table is attached. For the initial adjustment the BLS data covers a 48-month period.) Those agencies administering rental quarters shall furnish the Bureau of Labor Statistics the name, title, and address of the official to whom these data are to be sent.

4. Initial CPI adjustment. The initial adjustment in existing rental rates for all rental quarters shall be effected in February 1975, on the basis of the change in the rent series of the U.S. city average CPI calculated from the date of the preceding survey of the private rental market through September 1974.

5. Periodic/Cycle Year adjustment. It is recognized that the cycle year (and survey month within the cycle year) occurs at different points in time for different employee quarters within a Department or agency. Therefore, since annual CPI adjustments effective in February are based on the preceding September CPI data, cycle year adjustment for any particular quarters facility shall be made as follows:

a. When the private rental market survey is made during the months of August through January, no CPI adjustment will be made on the upcoming February 1, but will be deferred until the following February 1 or at the start of the first pay period which begins after February 1 of the following year. Rental adjustments based on the survey will be put into effect in the usual manner. Example: If the survey month is September 1976, no CPI adjustment will be made on February 1, 1977, but will be deferred until February 1, 1978. Such CPI adjustment will be based on the changes in the CPI from the actual date of the survey through September 1977.

(No. A-45)

Approved For Release 2001/03/06 : CIA-RDP86-00800R000100190018-9

to be made during the months of February through July, no CPI adjustments will be made on February 1 of that year, but will be deferred until February 1 or at the start of the first pay period which begins after February 1 of the following year. Rental adjustments based on the survey will be put into effect in the usual manner. Example: If the survey month is March 1976, no CPI adjustment will be made on February 1, 1976, but will be deferred until February 1, 1977. Such CPI adjustment will be based on the changes in the CPI from the actual date of the survey through September 1976.

6. Newly acquired quarters. The initial survey to establish valid and realistic comparability with private rental facilities shall be made upon acceptance of newly acquired quarters and the corresponding rental rates shall be made effective upon occupancy. The initial CPI adjustment in rental rates for newly acquired quarters shall be made in accordance with the following:

a. When the initial survey of the private rental market is made during the months of February through July, the initial CPI adjustment will be made on the upcoming February 1, or at the start of the first pay period which begins after the upcoming February 1.

b. When the initial survey of the private rental market is made during the months of August through January, the initial CPI adjustment will be made in accordance with the procedure set forth in subparagraph 5a, above.

(No. A-45)

Approved For Release 2001/03/06 : CIA-RDP86-00800R000100190018-9

CONFIDENTIAL - INTERNAL USE ONLY

<u>MONTH</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>
January	21.8	16.4	11.8	7.9	3.2
February	21.2	15.7	11.5	7.4	2.7
March	20.8	15.4	11.4	7.0	2.3
April	20.4	14.9	11.0	6.7	2.0
May	20.1	14.6	10.8	6.2	1.6
June	19.7	14.1	10.4	6.0	1.2
July	19.3	13.9	10.2	5.6	.8
August	18.9	13.5	9.9	5.1	.4
September	18.5	13.2	9.6	4.8	
October	18.0	12.9	9.2	4.4	
November	17.5	12.7	9.0	4.0	
December	16.7	12.4	8.6	3.5	

SOURCE: U.S. Department of Labor
Bureau of Labor Statistics
Washington, D.C. 20212
October 1974

FOOTNOTE:

This table will be updated by the Bureau of Labor Statistics as of September each year and furnished to all Federal agencies administering rental quarters. The table reflects the interim CPI adjustment which should be made in the basic rental rates depending upon the month and year that the last survey of the private rental market was conducted. For example: if the last survey of the private rental market was made in March 1972, the total percent change (increase) to be made in the basic rental rate would be 11.4 percent (the percentage figure shown in the 1972 Column for the month of March).

CONFIDENTIAL - INTERNAL USE ONLY